MEMORANDUM

TO: All University Faculty and Staff

FROM: Diana Natalicio, President

SUBJECT: COST CONTAINMENT MEASURES

Recent economic uncertainties have had a profound impact on the lives of people and organizations across the globe. News reports describe the deepening financial crises challenging many U.S. states, including Michigan, California and Florida, and their impact on public universities. Although the fiscal picture in Texas appears to be considerably healthier, the State Comptroller’s announcement earlier this week that projected revenues for the next biennium will be $77.1 billion -- $9 billion less than the current biennium level -- reminds us that we are not immune to the eventual impact of broad market conditions and suggests that higher education appropriations are not likely to increase during the current legislative session.

Given this sobering forecast, it is critical that we exercise even greater vigilance in the conduct of our business and ensure that we are especially prudent stewards of the resources entrusted to us by the State of Texas, students, parents, donors and external funding agencies. We must also work to position UTEP to withstand potential erosion of our institutional resources and minimize negative impacts on our core teaching and research mission.

To that end, and effective immediately, the following cost containment measures will be implemented:

1. A flexible hiring freeze will be adopted, and all processes to fill vacant or new staff positions are suspended. In addition, all staff position audits, reclassifications and salary adjustments are suspended until further notice. Exceptions to the hiring freeze will require approval of the appropriate Vice President and President. This hiring freeze does not apply to previously authorized tenured/tenure-track faculty or other instructional positions.
2. Capital expenditures and renovation projects supported by the Permanent University Fund (PUF), Tuition Revenue Bonds (TRB’s), State Incentive Funds and external grants and contracts will continue. All other institutionally funded capital expenditures and renovation projects will be suspended.
3. All institutionally funded travel will be closely monitored. Department chairs and directors are asked to make every effort to authorize only travel that is absolutely critical to operations/programs. The expanded use of video- or tele-conferencing should be encouraged. To achieve compliance in reducing institutionally funded travel, Vice Presidents will review and approve all travel requests for their areas of responsibility.
4. The centralized computer replacement program for faculty/staff is suspended for the remainder of this year. Student computer laboratories are exempt from this suspension.
5. Evaluation of energy conservation measures is being conducted to achieve additional utility savings. Facilities Services will immediately set all building temperatures at 70 degrees with an adjustment up to 73 degrees in summer. Exceptions will be made for research labs and specialized facilities as well as high-use classrooms.
6. The Task Force on Efficiency has been reconvened. This campus-wide team will be charged with identifying opportunities for improved efficiency, cost savings, cost avoidance and revenue enhancement in all university operations.

It is important to emphasize that these actions are taken as precautionary measures to strengthen the University’s longer-term financial resilience and to position us well for possible future revenue shortfalls in such areas as endowment income. They are NOT responses to an immediate crisis of any kind. We believe that taking these steps now will help ensure that we are well prepared to continue fulfilling our institutional mission and to meet ongoing and future institutional obligations to students, faculty and staff.

Your cooperation in implementing these measures will be greatly appreciated. We thank you for your continued commitment to UTEP and the students we serve.